



Kāti Huirapa Runaka ki Puketeraki

Kāti Huirapa Runaka ki Puketeraki Inc. Society

Kāti Huirapa Runaka ki Puketeraki Trust

Pūketeraki Ltd

ANNUAL REPORT

2014-2015



*Mā te tuakana ka tōtika te taina, mā te taina ka tōtika te tuakana
From the older sibling the younger learns how to do it, from the younger sibling the older
learns how to be tolerant. Everyone has responsibilities, both the old and the young.*

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Pūketeraki Limited

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CHAIRPERSONS REPORT TO KATI HUIRAPA RŪNAKA KI PUKETERAKI INC. SOCIETY ANNUAL GENERAL MEETING

DATE: NOVEMBER 2015

HE POROPOROAKI

He poroporoaki tēnei ki ka tini me ka mano kua wheturangitia, E ka mate kua hinga nei mai i te tau hou, hoki wairua koutou, haere atu rā. Apiti hono tātai hono ka huka mate ki ka huka mate. Apiti hono tātai hono ka huka ora ki ka huka ora.

Ki a matou wharenuī Huirapa, a, wharekai Maririhau, ara, ko Te Whare Karakia Hui te Rangiora, tū mai koutou hei whare whakaruruhau mō tatou.

HE MIHI

E ka hapū maha o Kati Huirapa Runaka ki Puketeraki, tēnā koutou, tēnā koutou, tēnā koutou katoa. He mihi mīharo ki tā tātou Upoko Rawiri, tā tātou whaea Mahana rātou ko ka koroheke me ka kuia, Nāia nei te mihi mahana ki ka takatā o ia whānau whānui o tātou marae o Puketeraki, o ka papakaika katoa. Heoi anō, e ka mema o te rūnaka, tēnā koutou, tēnā koutou, tēnā koutou katoa.

THIS YEAR

He hōaka kai pounamu, he mahi kai tangata – just as the grindstone is consumed in the working of pounamu, so too does work consume people. When we are focused at the “coal face” with head down and hard at work it is easy to overlook the amazing gains we have made over time. When I consider what we have achieved over a 43 year span of my involvement; from the time I attended my first Huirapa Māori Committee meeting to where we are now, we have achieved a quantum leap in terms of our physical marae outlook, our cultural capacity and capability and our asset base.

If you were to show some of our rakatahi a photo of what our marae looked like back then I’m sure they would not realise this is the same place. Looking back I feel a huge degree of satisfaction at our achievements, so give yourselves a pat on the back.

Each year I find it’s difficult to identify what activities stand out above others, as everything has its relative importance, however, I do want to note that nothing would be progressed unless the engine room is running well. One rewarding highlight for me as Chairperson is to see the nine member Rūnaka Executive working very smartly together and our Executive working groups; Komiti Rapu Ara Hou, the Operations Committee, He Korowai Whānau and Komiti Kaupapa Taiao all engaging well across their respective areas of operation.

I think this is moving towards achieving our objective of the Rūnaka Executive being a more strategically oriented body – keeping the eye on the big picture and responding to risks and challenges that come our way.

The relationships with neighbouring rūnaka are important particularly in the areas we need to work together. The question raised by the leadership of Te Rūnanga o Ōtākou to our Kati Huirapa mandate still requires a reply.

Over the last year we have had several whakapapa wānaka and through this process we are slowly gaining a better understanding of our hapū identity and the mandate of

our Kati Huirapa leg. I expect this take to be dealt with via a hui early next year with our whanauka of Te Rūnanga o Ōtākou at which we will share our perspectives and understandings. Despite the odd point of tension emerging from time to time kotahitanga is still strong within Te Tai o Araiteuru and this is demonstrated within our Hui a Iwi 2015 working committee. We will continue to work hard to leverage off our collective strengths and shared objectives

Our wānaka have also taken us out into our landscape which is helping us to progress the wharenuī interior artwork development. I expect that by the middle of next year we should have our plan signed off at an RGM, then submitted to the Section 20 Trustees and hopefully the necessary permissions will be in place, allowing us to move on to the next stage

Our first foray into papakaika housing with the purchase of 128 Stornoway St in Karitāne is exciting. Work to make the whare more suitable to our needs is almost completed and I am looking forward to when we have people in. The completion of the Burns whānau purchase has produced some recent frustration for us as we try to negotiate through the complexities of updating whānau succession. I'm confident we will eventually get the business done and dusted but our aspirations for this section have been put on the "go slow" for now.

Tama Smith and I attended a significant hui between the seven Southern rūnaka back in August where agreement in principle was reached to work together as manawhenua in the Whakatipu/Wānaka/Hawea districts. The significance of this hui is clear when we note that it has taken almost 20 years to get to this point of agreement.

In my absence overseas Tama represented us at a second hui where a MOU was signed between the seven rūnaka. I believe this will set the scene for a more organized and aligned manawhenua following a new kotahitanga into the future. Thank-you Tama for your work on this kaupapa.

Finally, thanks to our staff who give invaluable service in support of the activities and values of our rūnaka. To Suzanne, Justine, Jo, Aroha, Waiariki, Brendan and George and our amazing hui kaimahi Donna and Myra, your loyal and dedicated service is appreciated and welcomed.

Well, that's it for another annual report. Enjoy the upcoming Hui a Iwi.

No reira, ōku rakatira mā, tēnā koutou, tēnā koutou, tēnā koutou katoa.

No ora mai, Matapura Ellison, Chairperson, KHR

Kāti Huirapa Runaka ki Puketeraki
Incorporated Society

Minutes of Kati Huirapa Runaka ki Puketeraki Annual General Meeting – Hui a Tau

**Held on Sunday 2 November 2014 at 10.30 am
At Puketeraki Marae**

Mihi whakatau: Matapura Ellison

Karakia timata: Tama Smith

Present: Matapura Ellison, Suzanne Ellison (minutes), Joan Ellison, Ros Wyeth, Aroha Ellison, Phil Broughton, Betty Apes, Brenda Van Strik, Margaret Henderson, Tama Smith, Gerard Devereux, Brendan Flack, Hinerangi Ferrall Heath, Waiariki Parata Taiapa, Phyllis Smith (11.00), Marewa Preddy (11.05), Gisele Laven, Ron McLachlan, Lex Kent (11.10), Lyn Carter (11.25), John Broughton (11.35)

2. Apologies: Roger Wyeth, Justine Camp, Carolyn Campbell, Haines Ellison, Amokura Panoho, Kiri Fraser, Jim Williams, Katharina Ruckstuhl, Jeffrey Broughton, Suzi Flack, Bruce Ritchie

| | | | |
|---------------|-----------------------------------|---------------------------|----------------|
| Motion | That apologies be accepted | | |
| | Aroha Ellison | Margaret Henderson | Carried |

Nga mate o te tau:

John Crofts, Gary Turner, Henare Rakiihia Tau, Albert Jardine, Nancy Ropata, Hori Briggs.

3. Minutes of the Annual General Meeting 4 November 2012

Correction to the motion to adopt the Consolidated Financial Statements for the year ended 30 June 2013 (the motion read "...30 June 2012").

| | | | |
|---------------|--|----------------------|----------------|
| Motion | That the minutes of the Annual General Meeting of 3 November 2013 be confirmed as a true record with the correction as noted above. | | |
| | Hinerangi Ferrall Heath | Aroha Ellison | Carried |

4. Matters Arising

There were no matters arising from the minutes of the 2013 Annual General Meeting.

5. Chairperson's Report

| | | | |
|---------------|---|-----------------------|----------------|
| Motion | That we receive the Chairman's report. | | |
| | Matapura Ellison | Phil Broughton | Carried |

Matapura added to his written report by highlighting the following aspects. It has been another busy year with many people doing a lot of mahi across many areas. The representative's reports that will be presented in the Runaka General meeting reinforce how much voluntary effort is being undertaken by many people.

The relationship with Ōtākou and the challenge to our Kati Huirapa whenua in Dunedin City hasn't been dealt with yet mainly because there hasn't been a great deal of response from our own members, remembering it is an issue that Ōtākou have rather than being one that comes from our own thinking or views.

Komiti Rapu Ara Hou is thinking latterly for the future of the runaka with the purchase 1200 Coast Road & making progress towards completing the purchase of the Burns shares in the neighbouring paddock.

We are starting to attract some younger fresh minds & energy into our runaka & we need more of that.

A mataitai application has been lodged & is receiving wide support including from commercial eel fishers.

The Runaka Executive is working well at a strategic level doing the work they need to do on behalf of the Runaka.

6. Financial Report

Philip Broughton was invited to speak to the annual financial statements and made some overview comments including that we have a Risk Management Plan that is reviewed quarterly and that we are still in discussion about how to best utilize the cash assets the runaka has with there being some work needed to establish a 5 year cash flow forecast. About a year ago we adopted a Strategic Plan & made some changes with staffing to help enable implementation of the big picture. We have just completed a process to establish staff salary bands. The Consolidated Financial Statements were reviewed.

Questions from Roger Wyeth received by email were discussed (Full detail of the questions and answers provided available on request from Runaka Office).

| | | | |
|---------------|--|--------------------------|----------------|
| Motion | That we adopt the Consolidated Financial Statements for the year ended 30 June 2014 | | |
| | Philip Broughton | Brendan Van Strik | Carried |

7. Appointment of Auditor, 2014-2015

| | |
|---------------|--|
| Motion | That we appoint Crowe Horwath as auditors for 2014 - 2015 financial year. |
|---------------|--|

| | | | |
|--|-------------------------|-------------------|----------------|
| | Philip Broughton | Lyn Carter | Carried |
|--|-------------------------|-------------------|----------------|

8. Changes to the Rules of Kati Huirapa Runaka ki Puketeraki Inc. Soc.

During the year the Runaka has been working through possible changes to the Rules of the Incorporated Society with the proposed amended Rules being presented to the meeting.

| | | | |
|---------------|---|----------------------------|----------------------------|
| Motion | That the Runaka approves the revocation of our existing rules of Kati Huirapa Runaka ki Puketeraki and the adoption of the amended Rules of Kati Huirapa Runaka ki Puketeraki Incorporated presented to the meeting. | | |
| | Matapura Ellison | Hinerangi Heath | Ferrall Carried |

9. Other Business

There was no other business.

There being no other business the Annual General Meeting was declared closed at 11.40am.

Chairperson _____

Date _____

KATI HUIRAPA RUNAKA
ki PUKETERAKI INCORPORATED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

**KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

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**KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED
FINANCIAL RESPONSIBILITY STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015**

The Executive Committee is responsible for preparing the financial statements and ensuring that they comply with generally accepted accounting practice in New Zealand and fairly reflect the financial position of Kati Huirapa Runaka ki Puketeraki Incorporated as at 30 June 2015 and the results of their operations for the year ended on that date.

The Executive Committee consider that the financial statements of the Runaka have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

The Executive Committee believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Runaka and facilitate full compliance of the financial statements of the Runaka with the Generally Accepted Accounting Practice.

The Executive Committee consider that they have taken adequate steps to safeguard the assets of the Runaka, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity of the financial statements of the Runanga.

The Executive Committee are pleased to present the financial statements of Kati Huirapa Runaka ki Puketeraki Incorporated for the year ended 30 June 2015.

For and on behalf of the Executive Committee:

Executive Chair:



Executive Member



Date:

14 / 10 / 15

Date:

14 / 10 / 15

**KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED
CONSOLIDATED STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2015**

| | Note | Consolidated 2015 \$ | Consolidated 2014 \$ | Parent 2015 \$ | Parent 2014 \$ |
|--|------|----------------------------|----------------------------|----------------------|----------------------|
| REVENUE | | | | | |
| Interest Received | | 35,564 | 42,493 | 28,530 | 35,739 |
| Dividends Received | | 6,375 | 6,500 | - | - |
| Movement in Value of Investments | | 129,138 | 74,382 | 29,853 | 74,547 |
| Other Operating Revenue | 12 | 461,469 | 440,328 | 461,469 | 440,328 |
| Project Income | 13 | 112,636 | 109,393 | 112,636 | 109,393 |
| TOTAL OPERATING REVENUE | | 745,181 | 673,096 | 632,487 | 660,007 |
| EXPENDITURE | | | | | |
| Audit Fee | | 8,656 | 8,607 | 5,588 | 5,504 |
| Bank Fees and Interest | | 319 | 286 | 319 | 286 |
| Depreciation | | 32,526 | 27,125 | 32,526 | 27,125 |
| Fees paid to Executive Members and Directors | | 17,625 | 16,135 | 14,625 | 15,015 |
| Other Operating Expenses | 12 | 484,701 | 390,809 | 714,417 | 375,214 |
| Projects and Contracts- Expenditure | 13 | 94,859 | 111,130 | 94,859 | 111,130 |
| TOTAL OPERATING EXPENDITURE | | 638,685 | 554,092 | 862,333 | 534,274 |
| <u>NET SURPLUS (DEFICIT) FOR THE YEAR</u> | | 106,497 | 119,004 | (229,845) | 125,733 |

KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED
STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

| | Consolidated 2015 \$ | Consolidated 2014 \$ | Parent 2015 \$ | Parent 2014 \$ |
|---|-------------------------------------|-------------------------------------|-------------------------------|-------------------------------|
| OPENING EQUITY | 2,775,525 | 2,656,521 | 2,249,925 | 2,124,192 |
| Operating Surplus (Deficit) for the year | 106,497 | 119,004 | (229,845) | 125,733 |
| TOTAL RECOGNISED REVENUES AND EXPENSES | 106,497 | 119,004 | (229,845) | 125,733 |
| CLOSING EQUITY | 2,882,022 | 2,775,525 | 2,020,080 | 2,249,925 |

KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

| | Note | Consolidated 2015 \$ | Consolidated 2014 \$ | Parent 2015 \$ | Parent 2014 \$ |
|--|------|----------------------------|----------------------------|----------------------|----------------------|
| EQUITY | | 2,882,022 | 2,775,525 | 2,020,080 | 2,249,925 |
| REPRESENTED BY: | | | | | |
| CURRENT ASSETS | | | | | |
| Cash at Bank - Westpac Cheque Account | | 64,051 | 45,851 | 61,120 | 44,512 |
| Cash at Bank - Westpac Savings Account | 2 | 15,739 | 19,966 | 15,739 | 19,966 |
| Cash on Hand, Petty Cash Float and Vouchers | | 529 | 782 | 529 | 782 |
| Accounts Receivable | | 32,979 | 47,633 | 31,848 | 43,314 |
| Livestock | | 1,178 | - | 1,178 | - |
| Prepayments | | 1,282 | - | 1,282 | - |
| Puketeraki Limited - Advance | 13 | - | - | - | 246,425 |
| Investments (managed by Polson Higgs Wealth Management Limited) | 7 | 10,402 | 15,591 | - | - |
| Investments (Fixed Interest Term Deposits with Westpac) | 8 | 589,896 | 839,681 | 538,502 | 789,010 |
| TOTAL CURRENT ASSETS | | 716,056 | 969,504 | 650,198 | 1,144,009 |
| NON-CURRENT ASSETS | | | | | |
| 525 Blenheim Road Limited | | 116,171 | 91,341 | - | - |
| Kai Tahu ki Otago Limited | 9 | 104,425 | 74,572 | 104,425 | 74,572 |
| Shares in CRT | | 200 | 200 | 200 | 200 |
| Investments (managed by Polson Higgs Wealth Management Limited) | 7 | 573,775 | 510,641 | - | - |
| Investments (Fixed Interest Term Deposits with Westpac) | 8 | 109,398 | 101,218 | - | - |
| Kati Huirapa Runaka ki Puketeraki Trust | 3 | 64,989 | 64,989 | 64,989 | 64,989 |
| Plant, Property and Equipment | 4 | 1,419,925 | 1,169,055 | 1,419,925 | 1,169,055 |
| TOTAL NON CURRENT ASSETS | | 2,388,883 | 2,012,016 | 1,589,539 | 1,308,816 |
| TOTAL ASSETS | | 3,104,939 | 2,981,520 | 2,239,737 | 2,452,825 |
| LESS CURRENT LIABILITIES | | | | | |
| Accounts Payable | | 41,271 | 40,691 | 38,011 | 37,596 |
| GST Payable | | 6,392 | 4,462 | 6,392 | 4,462 |
| Project Funding Received in Advance | 12 | 175,254 | 160,842 | 175,254 | 160,842 |
| TOTAL CURRENT LIABILITIES | | 222,917 | 205,995 | 219,657 | 202,900 |
| NET ASSETS | | 2,882,022 | 2,775,525 | 2,020,080 | 2,249,925 |

KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

1. STATEMENT OF ACCOUNTING POLICIES

Basis of Reporting

Kati Huirapa Runaka ki Puketeraki is a society incorporated under the Incorporated Societies Act 1908, and is registered with the Charities Commission.

These financial statements are general purpose financial reports which have been prepared recognising the framework for differential reporting issued by the New Zealand Institute of Chartered Accountants. In the opinion of the Komiti, the Runaka qualifies for differential reporting as it has no public accountability and is not considered large within the terms of reference in paragraph 4.23 of the framework for differential reporting.

The Komiti has taken advantage of all available differential reporting exemptions except for FRS 19 as GST exclusive financial statements have been prepared.

The financial statements have been prepared on the basis of historical cost with the exception of certain investments as detailed below.

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand.

Basis of Preparing the Consolidated Financial Statements

Subsidiaries

Subsidiaries are those entities controlled, directly or indirectly, by the Incorporated Society. The financial statements of the subsidiaries are included in these financial statements using the purchase method of consolidation. This is applicable to the Incorporation's 100% equity investment in Puketeraki Limited.

Intra group transactions are eliminated in preparing the consolidated financial statements.

Goods and Services Tax

The Statement of Financial Performance has been prepared so that all components are stated exclusive of GST. All items in the Statement of Financial Position are stated net of GST, with the exception of receivables and payables, which include GST. However Puketeraki Limited is not registered for GST

Income Tax

Kati Huirapa Runaka ki Pukteraki Incorporated is registered with the Charities Commission and therefore is exempt from tax.

KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2015

Plant, Property and Equipment

Plant, Property and Equipment are recorded at cost less accumulated depreciation.

Assets have been depreciated at the following rates:

| | |
|----------------------|-----------------------|
| Buildings | 2% Diminishing Value |
| Motor Vehicles | 30% Diminishing Value |
| Furniture & Fixtures | 24% Diminishing Value |
| Storage Unit | 12% Diminishing Value |
| Carpet | 48% Diminishing Value |
| Digital Camera | 48% Diminishing Value |
| Computer Equipment | 60% Diminishing Value |
| Photocopier | 40% Diminishing Value |

Accounts Receivable

Accounts Receivable are valued at estimated realisable value after due allowance for amounts which are not considered recoverable.

525 Blenheim Road Limited

Subsidiary company Puketeraki Limited has a 5.5% interest in this company. The interest is recorded at the Directors' opinion of fair value. Movements in fair value are reflected in the Statement of Financial Performance.

Kai Tahu Ki Otago Limited

The Society has a 25% interest in this company. The investment is accounted for using the equity method.

Managed Investments

These investments are managed by Polson Higgs Wealth Management Ltd. Investments in this category that comprise equity investments are recorded at market value with unrealised gains and losses reflected in the Statement of Financial Performance. Other investments in this category are recorded at cost (less impairment adjustments if relevant).

Funding Received in Advance

Funding received for which funding conditions have yet to be met or the related expenditure yet to be incurred is recognised in the Statement of Financial Position as Funding Received in Advance until the funding conditions have been met or related expenditure incurred.

Impairment Adjustments

If in the Executive Committee's opinion the estimated recoverable amount of an investment is less than its carrying amount, the investment is written down to its recoverable amount, and an impairment adjustment is recognised in the statement of financial performance

Changes in Accounting Policies

There have been no changes in accounting policies and they have been applied on a basis consistent with the prior year.

**KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

2. SHORT TERM DEPOSIT

| | 2015 | 2014 |
|--------------------------------|---------------|---------------|
| | \$ | \$ |
| Westpac Ready Access (on call) | <u>15,739</u> | <u>19,966</u> |

3. KATI HUIRAPA RUNAKA KI PUKETERAKI TRUST

The old school property and the Coast Road property belong to the Kati Huirapa Runaka ki Puketeraki Trust. The Trust owes the Runaka for these assets. The revenue and expenses for these assets are met by the Runaka and the surplus (if any) is used to offset Runaka administration costs.

4. PLANT, PROPERTY AND EQUIPMENT

| | Cost | Dep'n | Accum | Book Value |
|------------------------|------------------|------------------|----------------|-------------------|
| 2015 | | This Year | Dep'n | |
| | \$ | \$ | \$ | \$ |
| Land | 422,260 | - | - | 422,260 |
| Buildings | 898,968 | 14,772 | 192,310 | 706,657 |
| Marae Retaining Wall | 257,562 | 3,863 | 11,483 | 246,078 |
| Motor Vehicles | 37,784 | 6,998 | 20,940 | 16,843 |
| Furniture and Fittings | 16,314 | 427 | 14,036 | 2,278 |
| Other Assets | 16,008 | 298 | 13,138 | 2,870 |
| Plant | 68,576 | 4,467 | 49,455 | 19,121 |
| Office Equipment | 42,219 | 1,699 | 38,402 | 3,817 |
| | <u>1,759,690</u> | <u>32,526</u> | <u>339,765</u> | <u>1,419,925</u> |
| 2014 | | This Year | Dep'n | |
| | \$ | \$ | \$ | \$ |
| Land | 252,389 | - | - | 252,389 |
| Buildings | 820,946 | 14,121 | 177,538 | 643,408 |
| Marae Retaining Wall | 257,562 | 3,863 | 7,620 | 249,942 |
| Motor Vehicles | 26,929 | 959 | 25,019 | 1,909 |
| Furniture and Fittings | 16,314 | 548 | 13,609 | 2,705 |
| Other Assets | 16,007 | 354 | 12,839 | 3,168 |
| Plant | 55,006 | 4,543 | 44,988 | 10,018 |
| Office Equipment | 42,219 | 2,736 | 36,703 | 5,516 |
| | <u>1,487,371</u> | <u>27,125</u> | <u>318,316</u> | <u>1,169,055</u> |

5. CAPITAL COMMITMENTS

The Runaka had no capital commitments as at balance date (2014 \$60,276):

6. OPERATING COMMITMENTS

There were no operating lease commitments at balance date (2014 \$Nil)

**KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

7. POLSON HIGGS WEALTH MANAGEMENT MANAGED INVESTMENTS

| CURRENT | 30 Jun 2015 | 30 Jun 2014 |
|----------------|--------------------|--------------------|
| | \$ | \$ |
| Cash Accounts | 10,402 | 15,591 |
| | <u>10,402</u> | <u>15,591</u> |

The above table details investments the society has in finance companies.

| NON-CURRENT | 30 Jun 2015 | 30 Jun 2014 |
|---------------------------------------|--------------------|--------------------|
| | \$ | \$ |
| Equity Investments | 484,642 | 429,222 |
| Canterbury Mortgage Trust - Debenture | 2,809 | 2,405 |
| NZX50 Portfolio Index Fund - FONZ | 86,324 | 79,014 |
| | <u>573,775</u> | <u>510,641</u> |

8. TERM DEPOSITS

| CURRENT | 30 Jun 2015 | 30 Jun 2014 |
|---------------------------|--------------------|--------------------|
| | \$ | \$ |
| Parent | | |
| Westpac Term Deposits | 538,502 | 789,010 |
| Puketeraki Limited | | |
| Westpac Term Deposits | 51,394 | 50,671 |
| | <u>589,896</u> | <u>839,681</u> |

| NON-CURRENT | 30 Jun 2015 | 30 Jun 2014 |
|---------------------------|--------------------|--------------------|
| | \$ | \$ |
| Puketeraki Limited | | |
| Westpac Term Deposits | <u>109,398</u> | <u>101,218</u> |

KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

9. EQUITY SHARE OF INVESTMENT IN ASSOCIATED COMPANY

Kati Huirapa Runaka ki Puketeraki Incorporated hold 25% of the shares in Kai Tahu Ki Otago Limited.

| | 2015 | 2014 |
|---|----------------|---------------|
| | \$ | \$ |
| Carrying amount at beginning of the year | 74,572 | 58,614 |
| Equity accounted earnings for the 2013 year | - | 16,599 |
| Equity accounted earnings for the 2014 year | - | (641) |
| Equity accounted earnings for the 2015 year | 29,853 | - |
| Carrying value at end of the year | <u>104,425</u> | <u>74,572</u> |

10. GRANTS RECEIVED

| | 2015 | 2014 |
|---|--------------|---------------|
| | \$ | \$ |
| Manawapopere Trust | 331 | - |
| Jack Illott Oral History Education Fund | - | 348 |
| Te Tumu Paeroa - Koputai Reserve Fund | - | 15,000 |
| COGS | 1,300 | 1,000 |
| | <u>1,631</u> | <u>16,348</u> |

| | 2015 | 2014 |
|---|---------------|--------------|
| | \$ | \$ |
| Grants reflected in Project Activities | | |
| Cancer Society re Wearable Arts Workshop | - | 435 |
| Dunedin City Council re Wearable Arts Workshop | - | 2,609 |
| Dunedin City Council re Puaka Matariki | 500 | 435 |
| Te Puni Kokiri re Matariki Dance | - | 3,000 |
| Te Puni Kokiri re Wearable Arts | 7,500 | - |
| Te Runanga o Ngai Tahu re Kaumatua Hardship | 3,555 | - |
| Southern District Health Board re Matariki Auahi Kore | 500 | - |
| | <u>12,055</u> | <u>6,479</u> |

11. RELATED PARTY

Matapura Ellison is Chairman of Kati Huirapa Runaka ki Puketeraki Incorporated. He is contracted with the Runaka under a Contract for Service to provide education services funded under the Te Mahare Matauraka Project. There were no payments due to Mr Ellison under the Contract for Services at balance date.

KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

| 12. OTHER OPERATING REVENUE | Note | Consolidated 2015 | Consolidated 2014 | Parent 2015 | Parent 2014 |
|--------------------------------------|------|----------------------|----------------------|----------------|----------------|
| Te Putea Whakamahi | | 360,000 | 320,000 | 360,000 | 320,000 |
| Grants | 10 | 1,631 | 16,348 | 1,631 | 16,348 |
| Koha and Donations | | 7,511 | 10,167 | 7,511 | 10,167 |
| Hui | | 85,889 | 82,780 | 85,889 | 82,780 |
| Depreciation Recovered | | 1,709 | - | 1,709 | - |
| Sundry Income | | 2,054 | 10,998 | 2,054 | 10,998 |
| Tamariki | | 2,674 | 35 | 2,674 | 35 |
| TOTAL OTHER OPERATING REVENUE | | 461,469 | 440,328 | 461,469 | 440,328 |

| OTHER OPERATING EXPENSES | Note | Consolidated 2015 | Consolidated 2014 | Parent 2015 | Parent 2014 |
|---------------------------------------|------|----------------------|----------------------|----------------|----------------|
| ACC Levy | | 1,264 | 658 | 1,264 | 658 |
| Advertising | | 1,359 | 185 | 1,359 | 185 |
| Charitable Acts | | 300 | 600 | 300 | 600 |
| Environment | | 992 | 2,000 | 992 | 2,000 |
| Fees paid to Financial Adviser | | 8,510 | 7,858 | - | - |
| Freight, Cartage, Postage & Courier | | 1,584 | 1,353 | 1,584 | 1,353 |
| General | | 20,378 | 29,186 | 20,215 | 29,008 |
| Grant | | 5,000 | 5,000 | 5,000 | 5,000 |
| Heat, Light & Power | | 14,393 | 14,516 | 14,393 | 14,516 |
| Hui and Entertainment | | 48,617 | 32,798 | 48,617 | 32,798 |
| Insurance | | 14,662 | 13,150 | 14,662 | 13,150 |
| KiwiSaver Contributions | | 3,657 | 1,854 | 3,657 | 1,854 |
| Koha and Donations | 13 | 528 | 1,923 | 246,953 | 1,923 |
| Management Costs | | 83,843 | 63,056 | 83,843 | 63,056 |
| Legal and Accounting | | 23,885 | 19,698 | 15,924 | 12,223 |
| Printing, Stationery and Copying | | 4,883 | 4,883 | 4,883 | 4,883 |
| Purchases Clothing for Resale | | - | 3,814 | - | 3,814 |
| Rates | | 2,801 | 1,643 | 2,801 | 1,643 |
| Repairs and Maintenance | | 27,280 | 7,252 | 27,280 | 7,252 |
| Tamariki | | 10,553 | 3,645 | 10,553 | 3,645 |
| Telephone, Tolls and Internet | | 4,670 | 4,571 | 4,670 | 4,571 |
| Travel | | 2,334 | 1,954 | 2,259 | 1,870 |
| Vehicle Costs | | 15,427 | 12,409 | 15,427 | 12,409 |
| Wages and Salaries | | 187,780 | 156,803 | 187,780 | 156,803 |
| TOTAL OTHER OPERATING EXPENSES | | 484,701 | 390,809 | 714,417 | 375,214 |

13 PUKETERAKI LIMITED - ADVANCE

An advance of \$246,425 from Kati Huirapa Runaka ki Puketeraki Incorporated to Puketeraki Limited was forgiven during the year.



**KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

**13. PROJECT ACTIVITIES
30 JUNE 2015**

Brought forward from previous year

Income

Expenditure

Transferred to Income/Expenditure

Net Expenditure

Balances as at 30 June 2015

| | Marae Adornment | Tatai Whakapapa | LEOTC | Te Kete Taurua | David Ellison | Kahui Kaumatua | Te Mahare Matauraka | Wearable Arts | Huriawa Restoration | Buff Weka | Building Leadership Capacity |
|------------------------------------|-----------------|-----------------|--------|----------------|---------------|----------------|---------------------|---------------|---------------------|-----------|------------------------------|
| Brought forward from previous year | 3,203 | 28,210 | 23,422 | 19,299 | 1,030 | - | 16,250 | 4,820 | 5,240 | 35,163 | 7,592 |
| Income | - | - | 59,784 | - | - | - | 18,000 | 9,796 | - | - | 5,000 |
| Expenditure | 3,203 | 28,210 | 83,206 | 19,299 | 1,030 | - | 34,250 | 14,616 | 5,240 | 35,163 | 12,592 |
| Transferred to Income/Expenditure | - | 3,785 | 49,657 | - | 61 | - | - | 2,962 | 6,606 (1,366) | - | 2,201 |
| Net Expenditure | - | 3,785 | 49,657 | 19,299 | 61 | - | - | 2,962 | 5,240 | - | 2,201 |
| Balances as at 30 June 2015 | 3,203 | 24,425 | 33,549 | - | 969 | - | 34,250 | 11,654 | - | 35,163 | 10,391 |

**KATI HUIRAPA RUNAKA KI PUKETERAKI INCORPORATED
 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2015**

**13. PROJECT ACTIVITIES (continued)
 30 JUNE 2015**

| | Puaki Matariki 2014 | Matariki Dance | Papakaika Reo Fund | Hine Pouwera | Kaumatua Hardship | Wai Ora | TOTAL |
|------------------------------------|---------------------------|-------------------|-----------------------|-----------------|----------------------|---------|------------------|
| Brought forward from previous year | 4,835 | 2,219 | 9,560 | - | - | | 160,843 |
| Income | - | 629 | 313 | 16,890 | 3,555 | 13,080 | 127,047 |
| Expenditure | 4,835 | 2,848 | 9,873 | 16,890 | 3,555 | 13,080 | 287,890 |
| Transferred to Income/Expenditure | 366 | 3,005 (157) | 5,246 | 15,348 | 300 | 5,322 | 94,859 17,776 |
| Net Expenditure | 366 | 2,848 | 5,246 | 15,348 | 300 | 5,322 | 112,636 |
| Balances as at 30 June 2015 | 4,468 | - | 4,628 | 1,542 | 3,255 | 7,758 | 175,254 |

**KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

**13. PROJECT ACTIVITIES
30 JUNE 2014**

Brought forward from previous year

Income

Expenditure
Transferred to Income/Expenditure

Net Expenditure

Balances as at 30 June 2014

| Marae Adornment | Tatai Whakapapa | LEOTC | Te Kete Taurua | David Ellison | Kahui Kaumatua | Te Mahare Matauraka | Wearable Arts | Huriawa Restoration | Te Tiaka Mahinga Kai | Taiapure |
|-----------------|-----------------|---------------|----------------|---------------|----------------|---------------------|---------------|---------------------|----------------------|----------|
| 10,432 | 33,126 | 13,507 | 19,922 | 1,030 | 712 | 18,000 | 5,512 | 8,886 | 3,134 | 98 |
| - | 400 | 58,171 | - | - | - | 24,000 | 4,971 | - | - | - |
| 10,432 | 33,526 | 71,678 | 19,922 | 1,030 | 712 | 42,000 | 10,484 | 8,886 | 3,134 | 98 |
| 7,229 | 5,316 | 48,257 | 623 | - | 278 | 25,750 | 5,663 | 3,647 | 134 | 98 |
| | | | | | 434 | | | | 3,000 | |
| 7,229 | 5,316 | 48,257 | 623 | - | 712 | 25,750 | 5,663 | 3,647 | 3,134 | 98 |
| 3,203 | 28,210 | 23,422 | 19,299 | 1,030 | - | 16,250 | 4,820 | 5,240 | - | - |

**KATI HUIRAPA RUNAKA ki PUKETERAKI INCORPORATED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

**13. PROJECT ACTIVITIES
30 JUNE 2014**

Brought forward from previous year

Income

Expenditure
Transferred to Income/Expenditure

Net Expenditure

Balances as at 30 June 2014

| COGS | Buff Weka | Building Leadership Capacity | Puaki Matariki 2014 | Matariki Dance | Papakaika Reo Fund | TOTAL |
|-------|-----------|------------------------------|---------------------|----------------|--------------------|---------|
| 2,769 | 36,851 | 3,600 | 5,000 | - | | 162,579 |
| 1,000 | - | 5,000 | 435 | 4,119 | 9,560 | 107,656 |
| 3,769 | 36,851 | 8,600 | 5,435 | 4,119 | 9,560 | 270,235 |
| 496 | 1,688 | 1,008 | 600 | 1,900 | 0 | 102,685 |
| 3,273 | | | | | | 6,707 |
| 3,769 | 1,688 | 1,008 | 600 | 1,900 | 0 | 109,393 |
| - | 35,163 | 7,592 | 4,835 | 2,219 | 9,560 | 160,843 |

INDEPENDENT AUDITOR'S REPORT

To the Committee of Kati Huirapa Runaka ki Puketeraki Incorporated

Report on the Financial Statements

44 York Place
Dunedin 9016 New Zealand
PO Box 188
Dunedin 9054 New Zealand
Tel +64 3 477 5790
Fax +64 3 474 1564

www.crowehorwath.co.nz

We have audited the financial statements of Kati Huirapa Runaka ki Puketeraki Incorporated (the "society") and the group on pages 2 to 14, which comprise the statement of financial position as at 30 June 2015, the statement of financial performance and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information, for both the society and the group.

Committee's Responsibility for the Financial Statements

The committee members are responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting practice in New Zealand and for such internal control as the committee members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Other than in our capacity as auditor we have no relationship with, or interests in the society or group.

Basis for Qualified Opinion on Financial Position and Financial Performance

As is common in organisations of a similar nature, control over cash koha and donation revenue prior to being recorded is limited, and there are no practical audit procedures to determine the effect of this limited control.

Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements on pages 2 to 14 present fairly, in all material respects, the financial position of Kati Huirapa Runaka ki Puketeraki Incorporated and group as at 30 June 2015, and its financial performance for the year then ended in accordance with generally accepted accounting practice in New Zealand.



Crowe Horwath New Zealand Audit Partnership
CHARTERED ACCOUNTANTS
14 October 2015

Pūketeraki Limited

PŪKETERAKI LIMITED
ANNUAL REPORT TO 30 JUNE 2015

VISION: To protect and grow the economic wealth of the Rūnaka to meet our charitable objectives, now and in the future.

MISSION: Pūketeraki Limited invests and manages the investment assets allocated by the Rūnaka in accordance with the Company's Constitution.

AIMS

- Provide regular levels of distribution to fund charitable services of the Rūnaka – half of the total income produced.
- Grow the capital faster than the rate of inflation over medium term (5-10years) – 5% above inflation.

COMPANY PROFILE

Directors: Katharina Ruckstuhl (Chairperson), Roger Wyeth, Hinerangi Ferrall-Heath, Graham Strong and Jeffrey Broughton.

Company Secretary: Gerard Devereux

Investment Advisor: Polson Higgs Wealth Management (PHWM)

COMMENT FROM THE CHAIRPERSON

ANNUAL INVESTMENT PERFORMANCE COMMENTARY

In the year to 30 June 2015 the portfolio managed by Polson Higgs Wealth Management increased in value by \$57,945 (or 11%) to \$584,177. This good performance was on the back of a strong year in 2014.

The Company has maintained its portfolio mix of 40% “defensive” securities (cash, term deposits, bonds, direct NZ property) and 60% “growth” securities (shares, listed property companies). The portfolio investments performed as follows:

Table 1: Annual Performance 30 June 2015

| | |
|--|----------------|
| We started the year worth | 543,379 |
| During the year: | |
| Increase in value of investments and cash received or owed to us | 341,339 |
| Costs including, company expenses, audit, advisors Fees | 22,777 |
| Net Surplus for the Year | 72,137 |
| Add Debt Forgiveness by Parent | 246,425 |
| The company is now worth | 861,491 |

Performance of various investment classes – 1 July 2014 to 30 June 2015

International property 30.5%

International fixed interest 6.1%

New Zealand Fixed Interest 4.2% - 7.8% (PHWM NZ Fixed Interest returned 7.8% and Westpac Term Deposits ranged from 4.2% to 4.80%)

New Zealand shares 14.9%

Listed NZ Property 19.8%

Australian shares 9.4%

International shares 16.2%

Emerging market shares 19.6%

As can be seen, the best performing asset was the International Property sector with the worst being the New Zealand Fixed Interest sector.

The investment in 525 Blenheim Road Limited yielded a consistent dividend receipt during the year of \$1,200 per share which amounted to \$6,000. Our share of the Net Assets increased by \$7,050 for the year.

The Company holds shares in Kiwi Haka Limited which were assigned to the Company by the Incorporated Society. In May 2015 Kiwi Haka Limited declared and paid a dividend, of \$75 per share which amounted to \$375.

Governance

The Company held four meetings over the last financial year. Meeting attendance was as follows:

| | | |
|-----------------|--------------------|--------------|
| Ruckstuhl – 4/5 | Ferrall-Heath -3/5 | Wyeth – 4/5 |
| Broughton 5/5 | | Strong – 4/5 |

The Company undertook a major review of its governance documents and constitution. This was done by the Ngāi Tahu Māori Law Centre. The review has highlighted the need to streamline our documents. This is a major piece of work that we are seeking support for through Te Runanga o Ngāi Tahu.

During the year, the Directors met with representatives of Ngāi Tahu Property to discuss a property investment vehicle, Te Haumi Whakamana, which will give rūnaka the opportunity to purchase shares in the most secure Ngāi Tahu property assets.

RESOLUTIONS

1. **That Kati Huirapa Rūnaka ki Puketeraki receive the Annual Audited Accounts and Annual Company Report.**
2. **That Kati Huirapa Rūnaka ki Puketeraki approve the appointment of Crowe Horwath as Auditors for 2016.**

ACCOMPANYING DOCUMENTS

1. **Audited Accounts**

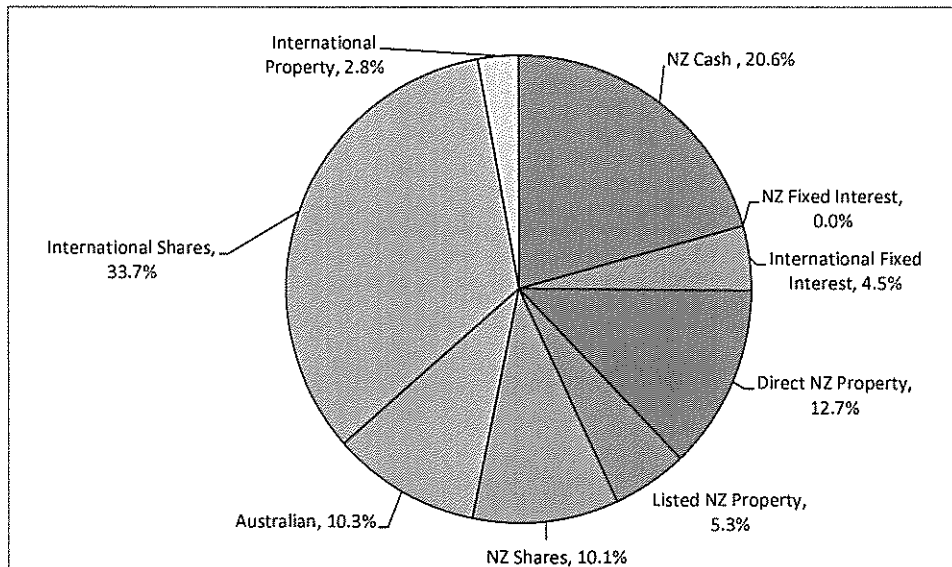
Valuation of Overall Investments, Pūketeraki Limited

As at 30 June 2015

| | | \$ | % |
|---|----------------------------|------------------|-------------|
| NZ Cash & Fixed Interest | | | |
| Pūketeraki Ltd - Current Account | | \$2,931 | 0% |
| Pūketeraki Ltd - Term Deposits (includes allocation to direct business) | | \$160,792 | 19% |
| PHWM | CMT | \$2,809 | |
| | Dominion | \$0 | |
| | Aegis Cash | \$10,402 | 2% |
| International Fixed Interest | DFA 5yr DFIT | \$19,759 | |
| | DFA Global Bond Trust | \$18,636 | 4% |
| Total Defensive | | \$215,329 | 25% |
| | | | |
| NZ Property - Direct | 525 Blenheim Road | \$109,121 | 13% |
| | | | |
| NZ Property - Listed | Goodman Property Trust | \$17,433 | |
| | Kiwi Income Property Trust | \$15,131 | |
| | Precinct Properties NZ | \$12,496 | 5% |
| | | | |
| NZ Shares | SmartFONZ | 86,324 | 10% |
| Australian Shares | DFA Aust Large | \$25,080 | |
| | DFA Aust Small | \$17,651 | |
| | DFA Aust Value | \$45,892 | 10% |
| International Shares | DFA Emerging Market | \$21,549 | |
| | DFA Global Core | \$137,463 | |
| | DFA Global Small | \$24,022 | |
| | DFA Global Value | \$85,174 | |
| | iShares MSCI EM | \$20,451 | 34% |
| International Property | DFA Global Real Estate | \$23,906 | 3% |
| Total Growth | | \$532,572 | 62% |
| | | | |
| Overall Total Investments at 30 June 2015 | | \$857,022 | 100% |
| <i>plus</i> Current account withdrawals for the period | | \$3,366 | |
| <i>plus</i> Distributions paid during the period | | \$0 | |
| Overall Total Investments at 31 March 2015 | | \$841,564 | |
| Gain/Loss for the 3 month period | | \$18,824 | |
| Net Return for the 3 month period | | 2.2% | |

Overall Mix for Pūketeraki Limited's Investments

As at 30 June 2015



The current mix for the overall company portfolio is 62% growth/38% defensive
(assuming Direct NZ Property is defensive)

PŪKETERAKI LIMITED

Minutes of the Eighth Annual General Meeting held on 2nd November 2014 at the Marae, Puketeraki, at 11.40am.

Present:

Directors and Officers of the Company: Hinerangi Ferrall- Heath and Gerard Devereux (Secretary)

Representatives of the Shareholder: Matapura Ellison, Suzanne Ellison, Joan Ellison, Ros Wyeth, Aroha Ellison, Phil Broughton, Betty Apes, Brenda Van Strik, Margaret Henderson, Tama Smith, Brendan Flack, Waiariki Parata Taiapa, Gisele Laven, Lyn Carter, Marewa Preddy, Phyllis Smith, Ron McLachlan, John Broughton, Lex Kent

Chair for the meeting

Hinerangi assumed the chair for the meeting.

Mihi/Welcome

Hinerangi welcomed those present to the meeting.

Karakia

The karakia had been presented by Tama Smith at the first meeting of the day.

Apologies:

Apologies from the following were noted:

Katharina Ruckstuhl (director), Roger Wyeth (director), Graham Strong (independent director), Jeffrey Broughton (director), Suzi Flack, Justine Camp, Carplyn Campbell, Haines Ellison, Amokura Panoho, Kiri Fraser, Jim Williams and Bruce Ritchie

Minutes of the Previous Meeting

The minutes of the Seventh Annual General Meeting held on 3rd November 2013 were taken as read.

IT WAS RESOLVED THAT the minutes of the previous Annual General Meeting held on 3rd November 2013 reflect a true and correct record, and that they be adopted – moved by Matapura and seconded by Lyn - carried

Matters Arising from the Minutes

There were no matters arising.

Chair’s Report

Hinerangi presented and spoke to the Chair’s Annual Report.

She expressed appreciation for the contribution of the two directors who retired at the 2013 Annual General Meeting and for the appointment of two new directors who will bring new knowledge and strength to the board.

She advised that the directors have been reviewing their governance practice, and director training was being investigated.

Financial Reports:

The Chair spoke to the Financial Reports for the year ended 30th June 2014.

Matapura asked if Puketeraki Limited had been benchmarked against other runaka.

The Secretary advised that although there had been communication with Moeraki some years ago it was seeking advice as to investment advisers.

IT WAS RESOLVED THAT the Chair’s Report and the Financial and Audit Reports for the year ended 30th June 2014 as presented be received – moved by Hinerangi and seconded by Phyllis - carried

Election of Auditor:

IT WAS RESOLVED THAT Crowe Horwath be reappointed auditors for the ensuing year - moved by Suzanne and seconded by Philip - carried

General Business

There was no General Business.

There being no further business the Chair declared the meeting closed at 12 noon.

Signed.....

Date.....

PUKETERAKI LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 30 JUNE 2015

**PUKETERAKI LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

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**PUKETERAKI LIMITED
COMPANY DIRECTORY
FOR THE YEAR ENDED 30 JUNE 2015**

| | |
|---|---|
| NATURE OF BUSINESS: | Puketeraki Limited is a charitable company which aims to benefit members of Kati Huirapa Runaka ki Puketeraki and the associated community in the Otago rōhe. |
| REGISTERED OFFICE: | 121 Grimness Street Karitane Otago |
| INCORPORATION NO.: | 1581079 |
| DATE OF FORMATION: | 2nd December 2004 |
| IRD NO.: | 89-509-572 |
| CHARITIES COMMISSION REGISTRATION NO.: | CC38391 |
| DATE OF REGISTRATION: | 30 June 2008 |
| DIRECTORS: | Katharina Ruckstuhl Hinerangi Ferrall-Heath Roger Sinclair Erihana Wyeth Graham Lance Strong Jeffrey Mark Broughton |
| CAPITAL: | One Ordinary Share |
| SHAREHOLDER: | Kati Huirapa Runaka ki Puketeraki Incorporated |
| AUDITOR: | Crowe Horwath New Zealand Audit Partnership P.O.Box 188 DUNEDIN 9054 |
| BANKER: | Westpac Banking Corporation Moray Place Branch P.O.Box 5432 DUNEDIN 9058 |
| SOLICITOR: | Anderson Lloyd Lawyers Private Bag 1959 DUNEDIN 9054 |

**PUKETERAKI LIMITED
FINANCIAL RESPONSIBILITY STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015**

The Board of Directors is responsible for preparing the Annual Report which contains the financial statements of Puketeraki Limited as at 30 June 2015, and ensuring that they comply with generally accepted accounting practice in New Zealand and give a true and fair view of the financial position of Puketeraki Limited as at 30 June 2015 and the results of their operations for the year ended on that date.

The Board of Directors considers that the financial statements of Puketeraki Limited have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

The Board of Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of Puketeraki Limited and facilitate full compliance of the financial statements with the Financial Reporting Act 1993.

The Board of Directors considers that they have taken adequate steps to safeguard the assets of Puketeraki Limited, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the financial statements.

The Board of Directors is pleased to present the Annual Report which contains the financial statements of Puketeraki Limited for the year ended 30 June 2015.

For and on behalf of the Board of Directors

Director:



Director:



Date:

12/10/2015

Date:

12/10/2015

PUKETERAKI LIMITED
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2015

| | <i>Note</i> | 2015 | 2014 |
|---|-------------|-----------------------|----------------------|
| | | \$ | \$ |
| REVENUE | | | |
| Dividends Received | | 6,375 | 6,500 |
| Interest Received | | 7,034 | 6,754 |
| Movement in Managed Funds | | 74,455 | 58,424 |
| Equity Accounted Earnings of 525 Blenheim Road Limited | | 7,050 | 17,780 |
| Koha - debt forgiveness by parent | | 246,425 | - |
| TOTAL REVENUE | | <u>341,339</u> | <u>89,458</u> |
| EXPENDITURE | | | |
| Audit Fee | | 3,068 | 3,103 |
| Directors Honorarium | | 3,000 | 1,120 |
| Fees paid to Financial Advisers | | 8,510 | 7,858 |
| General Expenses | | 163 | 178 |
| Secretarial Fee | | 7,961 | 7,475 |
| Travelling Expenses | | 75 | 84 |
| TOTAL EXPENDITURE | | <u>22,777</u> | <u>19,818</u> |
| NET SURPLUS | | <u><u>318,562</u></u> | <u><u>69,640</u></u> |

PUKETERAKI LIMITED
STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

| | 2015 \$ | 2014 \$ |
|---|-----------------------|-----------------------|
| OPENING EQUITY | 543,379 | 473,739 |
| Net Surplus for the year | 318,562 | 69,640 |
| TOTAL RECOGNISED REVENUES AND EXPENSES | <u>318,562</u> | <u>69,640</u> |
| <u>CLOSING EQUITY</u> | <u>861,941</u> | <u>543,379</u> |

PUKETERAKI LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

| | <i>Note</i> | 2015 \$ | 2014 \$ |
|--|-------------|-----------------------|-----------------------|
| EQUITY | | <u>861,941</u> | <u>543,379</u> |
| REPRESENTED BY: | | | |
| CURRENT ASSETS | | | |
| Cash at Bank - Westpac | | 2,931 | 1,339 |
| Interest Accrued | | 1,131 | 4,319 |
| Investments (managed by Polson Higgs Wealth Management Limited) | 6 | 10,402 | 15,591 |
| Investments (Fixed Interest Term Deposits with Westpac) | 7 | 51,394 | 50,671 |
| TOTAL CURRENT ASSETS | | <u>65,858</u> | <u>71,920</u> |
| NON CURRENT ASSETS | | | |
| Equity Accounted Investment - 525 Blenheim Road Limited | | 116,171 | 109,121 |
| Investments (managed by Polson Higgs Wealth Management Limited) | 6 | 573,775 | 510,641 |
| Investments (Fixed Interest Term Deposits with Westpac) | 7 | 109,398 | 101,218 |
| TOTAL NON CURRENT ASSETS | | <u>799,344</u> | <u>720,980</u> |
| TOTAL ASSETS | | <u>865,202</u> | <u>792,900</u> |
| CURRENT LIABILITIES | | | |
| Accounts Payable | | 3,261 | 3,096 |
| Advance from Kati Huirapa Runaka ki Puketeraki Inc | 5 | - | 246,425 |
| TOTAL CURRENT LIABILITIES | | <u>3,261</u> | <u>249,521</u> |
| NET ASSETS | | <u>861,941</u> | <u>543,379</u> |

PUKETERAKI LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 1 STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

Puketeraki Limited is a company registered under the Companies Act 1993 and the Charities Act 2005. The company is a reporting entity for the purposes of the Financial Reporting Act 1993 and its financial statements comply with that Act.

The financial statements comprise statements of the following: accounting policies; financial performance; movements in equity; financial position; as well as the notes to these statements contained on pages 6 to 8 of this Annual Report.

Measurement Base

The financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand and in accordance with the requirements of the Financial Reporting Act 1993 and the Companies Act 1993.

These financial statements have been prepared on the basis of historical cost except for the revaluation of investments as detailed below.

Specific Accounting Policies

Goods and Services Tax

Puketeraki Limited is not registered for GST. Consequently all amounts are shown inclusive of GST.

Polson Higgs Wealth Management Managed Investments

Polson Higgs Wealth Management Managed Investments that comprise equity investments are recorded at market value with unrealised gains and losses reflected in the Statement of Financial Performance. Other investments in this category are recorded at cost.

Impairment of Investments

If in the Directors' opinion the estimated recoverable amount of an investment is less than its carrying amount, the investment is written down to its recoverable amount, and an impairment adjustment is recognised in the statement of Financial Performance

Investment in 525 Blenheim Road Limited

Puketeraki Limited has a 5.56% interest in this company.
The investment in 525 Blenheim Road Limited is recorded at the Directors' opinion of fair value. Movements in fair value are reflected in the Statement of Financial Performance.

Taxation

Puketeraki Limited is registered with the Charities Commission and is therefore exempt from income tax.

Differential Reporting

The company is an entity qualifying for differential reporting exemptions as it has no public accountability and no separation of ownership and the governing body. All available differential reporting exemptions allowed under the framework for differential reporting have been adopted.

PUKETERAKI LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

Changes in Accounting Policies

There have been no changes in accounting policies and they have been applied on a basis consistent with the prior year.

NOTE 2 RELATED PARTIES

Puketeraki Limited is a wholly owned subsidiary of Kati Huirapa Runaka ki Puketeraki Incorporated.

NOTE 3 CAPITAL

| | 2015 | 2014 |
|---|-------------|-------------|
| | \$ | \$ |
| One ordinary share (issued for nil consideration) | - | - |

NOTE 4 CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The entity has no capital commitments or contingent liabilities at balance date. (2014 \$Nil)

NOTE 5 ADVANCE FROM KATI HUIRAPA RUNAKA ki PUKETERAKI INC

This advance is interest free and repayable on demand.

| | 2015 | 2014 |
|--------------------------------------|-------------|----------------|
| | \$ | \$ |
| Balance at the beginning of the year | 246,425 | 246,425 |
| Forgiven during the year | (246,425) | - |
| Balance as at balance date | - | 246,425 |

PUKETERAKI LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

NOTE 6 POLSON HIGGS WEALTH MANAGEMENT MANAGED INVESTMENTS

| CURRENT | 30 Jun 2015 | 30 Jun 2014 |
|---------------------------------------|-----------------------|-----------------------|
| | \$ | \$ |
| Cash Accounts | 10,402 | 15,591 |
| | <u>10,402</u> | <u>15,591</u> |
| NON-CURRENT | 30 Jun 2015 | 30 Jun 2014 |
| | \$ | \$ |
| Equity Investments | 484,642 | 429,222 |
| Canterbury Mortgage Trust - Debenture | 2,809 | 2,405 |
| NZX50 Portfolio Index Fund - FONZ | 86,324 | 79,014 |
| | <u>573,775</u> | <u>510,641</u> |
| TOTAL INVESTMENTS | <u>584,177</u> | <u>526,232</u> |

NOTE 7 DEPOSITS

| CURRENT | 30 Jun 2015 | 30 Jun 2014 |
|-----------------------------|-----------------------|-----------------------|
| | \$ | \$ |
| Westpac Banking Corporation | 51,394 | 50,671 |
| | <u>51,394</u> | <u>50,671</u> |
| NON-CURRENT | 30 Jun 2015 | 30 Jun 2014 |
| | \$ | \$ |
| Westpac Banking Corporation | 109,398 | 101,218 |
| | <u>109,398</u> | <u>101,218</u> |
| TOTAL DEPOSITS | <u>160,792</u> | <u>151,889</u> |

**PUKETERAKI LIMITED
STATUTORY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2015**

FEES PAID TO AUDITORS

| | |
|---|---------|
| Total audit fees paid by Puketeraki Limited | \$3,068 |
| Total fees paid to auditors for other services provided to Puketeraki Limited | \$Nil |

DIRECTORS' REMUNERATION

The directors received remuneration from the company of \$3,000 during the year ended 30 June 2015 (2014 \$1,120).

EMPLOYEE REMUNERATION

The company does not have any employees earning remuneration in excess of \$100,000 (2014 Nil).

DONATIONS

The company paid no donations during the year ended 30 June 2015 (2014 \$Nil).

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of Puketeraki Limited

Report on the Financial Statements

We have audited the financial statements of Puketeraki Limited on pages 3 to 8, which comprise the statement of financial position as at 30 June 2015, the statement of financial performance, and statement of movements in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation of financial statements in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view of the matters to which they relate in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, Puketeraki Limited.

Opinion

In our opinion, the financial statements on pages 3 to 8:

- comply with generally accepted accounting practice in New Zealand; and
- give a true and fair view of the financial position of Puketeraki Limited as at 30 June 2015 and the results of its financial performance for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of sections 16(1)d and 16(1)e of the Financial Reporting Act 1993, we report that:

- we have obtained all the information and explanations that we have required; and
- in our opinion, proper accounting records have been kept by Puketeraki Limited as far as appears from our examination of those records.



Crowe Horwath New Zealand Audit Partnership
CHARTERED ACCOUNTANTS
12 October 2015

Kāti Huirapa Runaka ki Puketeraki Trust

**Kāti Huirapa Runaka ki Puketeraki Trust
Annual General Meeting – Hui a Tau
Held on Sunday 2 November 2014 at 12.00pm
At Puketeraki Marae**

Mihi whakatau: Matapura Ellison

Karakia timata: Tama Smith

Present: Matapura Ellison, Suzanne Ellison (minutes), Joan Ellison, Ros Wyeth, Aroha Ellison, Phil Broughton, Betty Apes, Brenda Van Strik, Margaret Henderson, Tama Smith, Gerard Devereux, Brendan Flack, Hinerangi Ferrall Heath, Waiariki Parata Taiapa, Phyllis Smith, Marewa Preddy, Gisele Laven, Ron McLachlan, Lex Kent, Lyn Carter, John Broughton.

2. Apologies: Roger Wyeth, Justine Camp, Carolyn Campbell, Haines Ellison, Amokura Panoho, Kiri Fraser, Jim Williams, Katharina Ruckstuhl, Jeffrey Broughton, Suzi Flack, Bruce Ritchie, Jenny Smith, Mahana Walsh.

| | | | |
|---------------|-----------------------------------|---------------------------|----------------|
| Motion | That apologies be accepted | | |
| | Ros Wyeth | Margaret Henderson | Carried |

3. Minutes of AGM 3 Nov 2013

Correction to the motion to adopt the Financial Statements for the year ended 30 June 2013 (the motion read "...30 June 2012").

| | | | |
|---------------|--|-------------------|----------------|
| Motion | That the minutes of the Annual General Meeting of 3 November 2013 with correction be accepted as a true record. | | |
| | Matapura Ellison | Lyn Carter | Carried |

4. Matters Arising

There were no matters arising.

5. Trustees Report

David Ellison, Matapura Ellison and Mahana Walsh are the trustees and there has been no change to the position of the Trust.

6. Financial Report

There is nil income & expenditure, the audit is a record of the land and buildings owned by the trust to which there has been no change during the financial year.

| | | | |
|---------------|--|----------------------|----------------|
| Motion | That we adopt the Financial Statements for the year ended 30 June 2014. | | |
| | Marewa Preddy | Ron McLachlan | Carried |

7. Appointment of the Auditor 2013 -14

| | | | |
|---------------|--|----------------|-------------------|
| Motion | That we appoint Cook North & Wong as auditors for 2014 - 2015 financial year. | | |
| | Hinerangi Heath | Ferrall | Lyn Carter |
| | | | Carried |

8. Other Business:

There being no other business the Annual General Meeting closed at 12.05pm.

Chairperson _____

Date _____

KATI HUIRAPA RUNAKA KI PUKETERAKI TRUST

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

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| Independent Auditors' Report | 5 |

KATI HUIRAPA RUNAKA KI PUKETERAKI TRUST

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2015

| | 2015 \$ | 2014 \$ |
|---|------------|------------|
| Revenue | Nil | Nil |
| Operating Surplus/(Deficit) for the Year | <u>Nil</u> | <u>Nil</u> |

KATI HUIRAPA RUNAKA KI PUKETERAKI TRUST

STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

| | 2015 \$ | 2014 \$ |
|---------------------------------------|------------|------------|
| Opening Equity | Nil | Nil |
| Total Recognised Revenue and Expenses | Nil | Nil |
| Closing Equity | <u>Nil</u> | <u>Nil</u> |

KATI HUIRAPA RUNAKA KI PUKETERAKI TRUST

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015**

| | 2015 | 2014 |
|--|-------------|-------------|
| | \$ | \$ |
| Equity Account | Nil | Nil |
| | ----- | ----- |
| Represented by: | | |
| Land – Coastal Road, Karitane | 17,103 | 17,103 |
| Land – Old School Property | 8,979 | 8,979 |
| Building – Old School Property | 38,907 | 38,907 |
| | ----- | ----- |
| | 64,989 | 64,989 |
| Less Term Liability | | |
| Advance – Kati Huirapa Runaka (Inc)(interest free) | 64,989 | 64,989 |
| | ----- | ----- |
| Assets Less Liability | Nil | Nil |
| | ----- | ----- |


.....
Trustee


.....
Trustee

Date: 26/08/15

KATI HUIRAPA RUNAKA KI PUKETERAKI TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

1. STATEMENT OF ACCOUNTING POLICIES

Basis of Reporting

Kati Kuirapa Runaka ki Puketeraki Trust is registered under the Charitable Trusts Act 1957.

These financial statements are general purpose financial reports which have been prepared recognising the framework for differential reporting. In the opinion of the Committee, the Trust qualifies for differential reporting as it has no public accountability and is not considered large within the terms of reference in paragraph 4.23 of the framework for differential reporting.

The Trust has taken advantage of all available differential reporting exemptions.

The financial statements have been prepared on the basis of historical cost.

Goods and Services Tax

The Trust is not registered for Goods and Services Tax.

Fixed Assets

Fixed assets are recorded at cost and are not depreciated.

Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.

2. KATI HUIRAPA RUNAKA KI PUKETERAKI

The old school property and the Coast Road property have been purchased from the Kati Huirapa Runaka ki Puketeraki. The Trust owes the Runaka for these assets. The revenue and expenses for these assets are met by the Runaka and the surplus (if any) is used to offset Runaka administration costs.

3. CONTINGENT LIABILITIES & CAPITAL COMMITMENTS

The Trust has no contingent liabilities or capital commitments at balance date (2014 \$Nil).

4. RELATED PARTY TRANSACTION

Except as noted in Note 2 above there have been no other related party transactions.

INDEPENDENT AUDITOR'S REPORT

To the Trustees of the Kati Huirapa Runaka ki Puketeraki Trust (the "Trust")

Report on the Financial Statements

We have audited the financial statements of the Kati Huirapa Runaka ki Puketeraki Trust on pages 2 to 4 which comprise the Statement of Financial Position as at 30 June 2015, and the Statement of Financial Performance for the year then ended, and a summary of significant accounting policies and other explanatory information.

Trustees' Responsibility for the Financial Statements

The Trustees are responsible for the preparation of these financial statements in accordance with generally accepted accounting practice in New Zealand and that give a true and fair view of the matters to which they relate, and for such internal control as the Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view of the matters to which they relate in order to design audit procedure that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the financial position and financial performance.

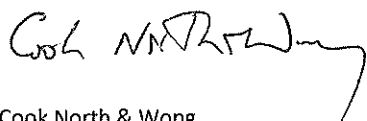
We have assisted the Trust to compile the 2015 financial statements. Other than in this capacity and our capacity as auditors we have no relationship with or interests in the Trust.

Qualified Opinion

We have obtained all the information and explanations we have required.

As stated in note 1 on page 4, the Trust has not provided for depreciation on buildings. This is a departure from New Zealand International Accounting Standards 16 (NZIAS - 16), which requires that depreciation be charged as an expense in the statement of financial performance so as to allocate the cost of the buildings over their useful lives.

In our opinion, except for the departure from NZIAS 16 as outlined above, the financial statements on pages 2 to 4 give a true and fair view of the financial position of the Trust as at 30 June 2015 and its financial performance for the year ended on that date.



Cook North & Wong
Dunedin
26 August 2015

Restriction of Distribution or Use

This report is made solely to the Trust, as a body. Our audit work has been undertaken so that we might state to the Trust those matters which we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust, as a body, for our audit work, for this report or for the opinions we have formed.